THE HON'BLE SRI JUSTICE L.NARASIMHA REDDY

WRIT PETITION No.27010 OF 2005

DATED: 30-12-2005

Between:

M/s.Dhana Dharshan Projects Limited . . .Petitioner

And

The General Manager (Projects), APSFC, Hyderabad,

and another . . . .Respondents

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WRIT PETITION No.27010 of 2005

O R D E R:

The petitioner was sanctioned loan by the Andhra Pradesh State Finance Corporation through their proceedings, dated 12-11-2003. The terms and conditions of sanction as well as repayment of loan are provided for under the letter, dated 20-02-2003, issued by the Corporation. The petitioner contends that the repayment of the loan would start two years from the date of release of the sanctioned amount or part thereof, and that the interest is payable once in every three months. It is stated that the accrued interest has either been paid or deducted from the subsequent instalments. The respondents issued a notice, dated 05-12-2005, stating that a sum of Rs.3,62,004/- had accrued towards interest and required the petitioner to pay the same. The demand notice is challenged on several grounds.

Heard the learned counsel for the petitioner and the learned Standing Counsel for the respondents.

The manner, in which, the loan obtained by the petitioner from the Corporation to be paid, is stipulated in various documents referred to above. The petitioner does not dispute the liability to pay the interest, which is demanded through the impugned notice. It is contended that on account of recent natural calamities, the project was adversely affected and that adequate time needs to be given to it for repayment.

Inasmuch as the liability of the petitioner to pay the said amount is not disputed, this Court does not find any basis to interfere with the demand notice. Having regard to the difficulties expressed by the petitioner, it is felt appropriate to grant some reasonable time for payment of the demanded amount.

Hence, the writ petition is disposed of, directing that the respondents shall not take any coercive steps against the petitioner in case, a sum of Rs.2,00,000/- is paid on or before 31-01-2006 and balance, on or before 28-02-2006. In default, it shall be open to the respondents to proceed further

with the demand notice in accordance with law. There shall be no order as to costs.

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(L.NARASIMHA REDDY, J)

30th DECEMBER, 2005.

Note: furnish c.c. in three days.

B/o

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